

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

RECEIVED
CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
JAN 04 2011
HOBBSD

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-39716
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No. VB-0651
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name Red Raider BKS State
4. Well Location Surface B : 330 feet from the North line and 2180 feet from the East line BHL O : 330 feet from the South Line and 2180 feet from the East line Section 25 Township 24S Range 33E NMPM Lea County		8. Well Number 2H
		9. OGRID Number 025575
		10. Pool name or Wildcat Red Hills; Bone Spring, North
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3566'GR		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Set conductor and surface casing ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

12/16/10 – Made 40'. Drilled to 62'. Set 40' of 20" conductor and cemented to surface with redi-mix. Notified E.L. Gonzales.

12/20/10 – Resumed drilling at 11:00 PM.

12/23/10 – TD 17-1/2" hole to 1218'. Set 13-3/8" 48# J-55 ST&C casing at 1218'. Cemented with 720 sx Premium Plus "C" + 4% Bentonite + 0.125# Poly-E-Flake + 50#/sx 2% CaCl (yld 1.75, wt 13.5). Tailed in with 340 sx Premium Plus "C" + 50#/sx 2% CaCl (yld 1.35, wt 14.8). Circulated 369 sx to pit. Tested casing to 600 psi for 30 min. WOC 22 hrs 35 min. Reduced hole to 12-1/4" and resumed drilling.

Spud Date:

4/1/10

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE December 30, 2010

Type or print name Tina Huerta E-mail address: tinah@yatespetroleum.com PHONE: 575-748-4168

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JAN 05 2011
Conditions of Approval (if any): [Signature]